

“REVISED”

Minutes

South Carolina Perpetual Care Cemetery Board Meeting
Synergy Business Park
110 Centerview Drive, room 108
Columbia, SC 29210
10:00 a.m., June 19, 2008

Mr. Russ, Chairman, called the meeting to order at 10:08 a.m.

Board members attending the meeting included: J. W. Russ, of Conway; W. Russel Floyd, Jr., of Spartanburg; Rick Riggins, of Lancaster; John E. Bartus, of Mauldin; Thomas Johnson of Charleston; and Roger Finch, of Honea Path.

Board members granted an excused absence: Andrew Cone, of Pickens.

Staff members participating included: Wendi Elrod, Administrative Specialist; Jeanie Rose, Administrative Specialist; Doris Cubitt, Administrator; Sheridan Spoon, General Counsel; and Joe Connell, Legal Counsel.

Members of the public participating included: Johnny Harris, Vicki Camp, Port Elsewhere, II; John Hawkins, Port Elsewhere, II, Legal Counsel; Paul Waimberg, StoneMor; and Michael Faw.

Meeting Called to Order – S.C. Perpetual Care Cemetery Board staff properly posted public notice of this meeting at the S.C. Department of Labor, Licensing and Regulation office, Synergy Business Park, Kingstree Building, and provided notice to all requesting persons, organizations, and news media in compliance with Section 30-4-80 of the South Carolina Freedom of Information Act. A quorum was present.

Pledge of Allegiance

All present recited the Pledge of Allegiance.

Approval of March 14, 2008 Meeting Minutes

The Board made the following changes:

1. *On page 3, under the first Motion, after 2nd right, add “of the”, it should read as “all 2nd right of the interments be”.*
2. *On page 3, under Trust Fund transfer Motion, third sentence, “consonquently” should be spelled “consequently”.*
3. *On page 3, under Pinnacle Funeral Service / SCI Motion, under # 1 replace “defiant” with “deficient” and add “36,000” after the \$ sign.*

Motion

Mr. Johnson made a motion for the minutes to be accepted with the changes, seconded by Mr. Floyd, and unanimously carried.

Approval of May 21, 2008 Meeting Minutes

The Board made the following changes:

1. On page 1, Board members attending add “Rick Riggins”.

Motion

Mr. Riggins made a motion for the minutes to be accepted with the change, seconded by Mr. Floyd, and unanimously carried.

Chairman’s Remarks – J. W. Russ

Mr. Russ welcomed all visitors.

Administrator’s Remarks, For Information – Doris Cubitt

Ms. Cubitt welcomed everyone and thanked them for attending.

Executive Session (To Consider Disciplinary Matters and/or Seek Legal Advice)

Motion

Mr. Floyd made a motion to enter executive session at 10:15 am for discussion. Mr. Riggins seconded the motion, which carried unanimously.

Return to Public Session to Report on Executive Session

Motion

Mr. Riggins made a motion to come out of executive session at 10:50 am, seconded by Mr. Johnson and unanimously carried.

Action Items (Vote Required)

Unfinished Business

1. Port Elsewhere, II/StoneMor – **J W Russ**

- a. Forest Lawn Cemetery
- b. Forest Lawn East
- c. Good Shepherd Memorial Gardens

Mr. Russ asked when the sixteen acres were sold and to whom. Ms. Vicki Camp stated that the sixteen acres were sold in 2006 or 2007 to a company by the name of Empire. Mr. Russ asked who owns Empire. Ms. Camp stated that Mr. Tim White is the current manager of the cemetery and owns Empire.

Mr. Russ indicated that the statute requires the cemetery to have a minimum of thirty acres for the cemetery. So that will leave the cemetery with only twenty five acres which is under the licensing requirement.

Mr. Floyd asked if Mr. White was aware that it is illegal to sell cemetery property so it will fall under the thirty acre licensing requirement. Ms. Camp stated that she didn’t know if he was aware or not.

Mr. Joe Connell asked if StoneMor felt confident that the twenty five acres is sufficient to serve the people in South Carolina. Mr. Waimberg stated that StoneMor felt that the twenty five acres was sufficient and asked that the Board waive the thirty acre requirement and accept the twenty five acres. Mr. Floyd indicated that he noticed that Port Elsewhere, II, had sold the sixteen acres for \$10 to Empire. He then asked if StoneMor would consider purchasing the sixteen acres back from Port Elsewhere, II, for \$10.

- d. Graceland Cemetery
- e. Springhill Memorial Gardens

f. Whispering Pines Memorial Gardens

Mr. Hawkins stated that the owners of Port Elsewhere, II, is Mr. Rick Pirkl and Mr. Tim White. He stated that both were unable to attend the meeting because Mr. Pirkl has been in Iowa looking after his elderly mother and Mr. White lives in New Mexico part time.

Mr. Paul Waimberg stated that the trust funds are a problem. StoneMor is willing to go forward with what money is in trust and is willing to assume all pre-need contracts from Port Elsewhere, II, and any prior owner.

The tax liens are also a problem. StoneMor will not purchase the cemeteries with the tax liens. Port Elsewhere, II and StoneMor will not close on the cemeteries until all tax liens are satisfied.

Mr. John Hawkins stated that the tax liens were satisfied and then they were made aware of the others. He stated that they are still checking because they believe that there is an error with the further tax liens.

Mr. Waimberg stated that StoneMor is not willing to assume all liabilities as for funding the deficiencies to the trust funds but they will honor all pre-need contracts. He stated that StoneMor is requesting the Board waive the requirement to fund the deficient amounts and if StoneMor decides to sell the cemeteries later that they are only responsible for funding any deficient amounts during the time they owned the cemeteries.

Mr. Russ pointed out that two of the cemeteries (Graceland and Springhill) have mortgages that total \$769,000. Also the trust agreement needs to state that it is irrevocable and the Board needs a copy of the revised trust agreement.

Ms. Cubitt asked if any of the five cemeteries that were bought out of bankruptcy had any money in the trust fund or merchandise account at the time of the bankruptcy.

Mr. Hawkins stated that Port Elsewhere, II, has a more than fifty percent chance that they will go bankrupt. He also stated that he will research if there were any funds in the accounts prior to the bankruptcy and if any were transferred to Port Elsewhere, II.

Motion

Mr. Riggins made a motion that the Board approved the sale of these cemeteries pending the following conditions:

- 1. All mortgage and tax liens must be satisfied.*
- 2. StoneMor must honor all pre-need contracts.*
- 3. StoneMor to change their policies and honor pre-need opening and closings sold by Port Elsewhere, II, to any day of the week.*
- 4. Submit documentation indicating what was included in the bankruptcy files for these cemeteries.*
- 5. That the sixteen acres for Good Shepherd Memorial Gardens must be transferred back to Port Elsewhere, II, so it is included in the sell transaction.*

2. IRC – Tony Kennedy

Ms. Cubitt stated that there is no IRC report to be heard before the Board at this time.

Executive Session (To Consider Disciplinary Matters and/or Seek Legal Advice)

Motion

Mr. Floyd made a motion to enter executive session at 12:00 pm for discussion. Mr. Finch seconded the motion, which carried unanimously.

Return to Public Session to Report on Executive Session

Motion

Mr. Riggins made a motion to come out of executive session at 12:35 pm, seconded by Mr. Bartus and unanimously carried.

Mr. Russ noted for the record that no motions were made and no votes were taken during executive session.

Lunch Break 12:50 am to 2:10 pm

Action Items (Vote Required)

Work Session

1. Application

The Board made the following changes:

- 1. On page 1, at the top of the application add "License Application".*
- 2. On page 1, above # 1 add "a box and New", "a box and Change" and "a box and Reinstatement".*
- 3. On page 1, under # 8, change to read "Number of acres included in cemetery: Total Acres: and Developed Acres:".*
- 4. On page 2, add # 21 after manager's SSN "Manager's Experience: Number of years and Where:".*
- 5. On page 3, each line that refers to "Perpetual Care Trustee" change to read "Irrevocable Care & Maintenance".*

2. Submitted Documents Check List

The Board made the following changes:

- 1. On # 2, after trust agreement, add "which is an irrevocable care & maintenance trust fund".*
- 2. On # 2, after "doing business in South Carolina" add "Also a copy of the trust affidavit".*

3. Sale of the Cemetery letter

The Board made the following changes:

- 1. On the first sentence add, "prior to the sale of the cemetery" so it should read "The following is information that needs to be provided prior to the sale of the cemetery:".*
- 2. On # 1, "audit" should be replaced by "agreed upon procedures" and "Perpetual Care" should be replaced with "Irrevocable Care and Maintenance".*
- 3. On # 2, replace "Audit" with "Agreed Upon Procedures".*
- 4. On # 3, replace "Perpetual Care" with "irrevocable care and maintenance".*

5. Put “Verify the (Practice of Pre-Selling)” as # 4, and replace “goods or services” with “vaults, spaces, crypts, niches or memorials”.
6. Re-number “# 4-6” to “# 5-7” and on # 7, delete “different than what was specified in the original contract”.
7. Add # 8, “Pre-Selling of mausoleum crypts”.

4. Agreed Upon Procedures

- a. Revised Procedures
- b. Review instructions

Mr. Russ inquired as to what percentage of documents, etc., should be reviewed so it can be added to the Agreed Upon Procedures. Ms. Cubitt stated that she would review the agreed upon procedures with Mr. Jim Holloway for his recommendations and possible added a step 3 to the procedures. Ms. Cubitt suggested that all board members that are in the cemetery business to forward the revised agreed upon procedures to their CPA for any recommendations.

5. Licensing Check List

The Board made the following changes:

1. Below phone # add “City Location”.
2. Move # 3 to the left to line up with the other numbers.
3. On # 5 add “irrevocable” so it should read (Copy of the irrevocable trust agreement”.
4. On # 6 add “disclosed” after liability so it should read “opening and closing liability disclosed”.
5. On # 10 change “insurance policy” to “information”.
6. On # 10 replace “§40-8-90(A)(2)” with “§40-8-90(A)(4)(c)”.
7. On # 11 replace “§40-8-90(A)(4)(c)” with “§40-8-90(A)(4)(d)”.
8. On # 11, on # a., replace “§40-8-100(c)” with “§40-8-90(C)” and “§40-8-100(d)” with “§40-8-90(D)”.
9. On # 11, on # b., replace “§40-8-100(d)” with “§40-8-90(D)”.
10. On # 11, on # c., replace “§40-8-100(e)” with “§40-8-90(E)”.
11. On # 11, on # d., replace “§40-8-100(j)” with “§40-8-90(J)”.
12. Delete # e. and f.
13. Add # 13, Sale Contract (Good & Services).

Adjournment

There being no further business to be discussed at this time, Mr. Riggins made a motion that the meeting be adjourned at 4:05 pm, seconded by Mr. Finch unanimously carried.

The next meeting of the S.C. Perpetual Care Cemetery Board has been scheduled for November 13, 2008.